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**WASHINGTON, DC** - U.S. Rep. Charlie Melancon voted today for H.R. 1227, the Gulf Coast Hurricane Housing Recovery Act of 2007, a bill he co-sponsored in the House to help victims of Hurricanes Katrina and Rita recover. The bill, which overwhelmingly passed the House, will: free up \$1.175 billion in federal funds for use by Louisiana's Road Home program; allow the state to use federal CDBG funds for the local match required for disaster recovery projects; preserve affordable housing in hurricane-affected communities; and extend the Disaster Voucher Program for evacuees.

**"Bureaucratic red tape and the lack of affordable housing have created unnecessary hurdles for Louisianians struggling to recover from Katrina and Rita,"** said Rep. Melancon. **"We heard this time and again from state and local leaders as we worked these past few months to draft this legislation. I am pleased to join my colleagues in passing this long-overdue bill that will cut the red tape and help people and communities in south Louisiana rebuild faster."**

Rep. Charlie Melancon also spoke on the floor of the U.S. House of Representatives today in support of the bill, and in opposition to an amendment that would have gutted the CDBG/local match provision. His comments are below the bill summary.

### **Summary of H.R. 1227, the Gulf Coast Hurricane Housing Recovery Act of 2007**

· **Frees up \$1.176 billion in federal funds for Louisiana's "Road Home" Program.** H. R. 1227 includes many provisions designed to improve flexibility for previously appropriated funds for hurricane recovery efforts on the Gulf Coast. FEMA has been holding up Louisiana's use of \$1.175 billion in Hazard Mitigation Grant Program funds for the Louisiana Road Home program - greatly slowing down the program. FEMA has cited its concern with certain features of the program. The Gulf Coast Hurricane Housing Recovery Act would free up this \$1.175 billion, by prohibiting FEMA from disapproving or restricting the use of such FEMA funds based on its concerns with the features of the Louisiana Road Home program that provide financial

incentives for people to come back and live in the state.

- **Allows Louisiana to utilize federal CDBG funds as the local match for federal rebuilding programs.** The bill would eliminate a provision from a prior supplemental funding bill prohibiting the state of Louisiana from using federal Community Development Block Grant funds as the local match required for federal rebuilding programs. The programs include Public Assistance projects to rebuild federal and local government facilities, repair public infrastructure, and remove debris. The Robert T. Stafford Act requires localities to match 25 percent (reduced to 10 percent for Hurricanes Katrina and Rita) of the cost for disaster recovery projects upfront before the remaining portion is filled by the federal government. With their local tax bases devastated by the hurricanes, many local governments are finding it nearly impossible to provide the matching funding, and recovery projects have been stalled. In Louisiana alone, there are over 23,000 public assistance projects, requiring hundreds of millions of dollars in local matches before federal funding can be used.

The state of Louisiana has recognized that local governments are hamstrung, and is committed to providing them with funding for their local match. However, the total cost of the local matches could run over \$1 billion, and the state needs more flexibility in how they can use their federal recovery money so they can keep helping local governments rebuild. The Gulf Coast Hurricane Housing Recovery Act will give the state that flexibility, allowing them to use their CDBG funding for the local match and greatly speeding up the progress of many hurricane recovery projects.

- **Waives regulation requiring Road Home grants to be reduced because of other disaster relief already received.** Road Home awards are prohibited by law to duplicate any financial assistance previously given to the grantee, such as insurance and/or FEMA disaster relief, so currently home rebuilding awards are reduced based on this other aid. This includes immediate disaster relief grantees received, such as rental assistance, medical expenses, personal property, transportation, even school supplies. The bill would eliminate this unduly restrictive "duplication of benefits" provision that has resulted in homeowners in Louisiana receiving less than the funds they need to rebuild under the Road Home Program, while instating a prohibition against anyone receiving a "windfall gain" under that program.

- **Preserving Affordable Housing.** H.R. 1227 includes a number of provisions designed to preserve the supply of affordable rental housing. The bill would require HUD to give timely approval of all feasible requests to restore project-based rental assistance or transfer such assistance to another site, in the case of damaged or destroyed federally assisted housing developments. The bill would authorize 4,500 new housing vouchers for the purpose

of project based assistance for supportive housing units for seniors, disabled persons, and the homeless. The bill would require HUD to provide a replacement voucher for every public housing and assisted housing unit that is not brought back on line. The bill also would preserve the availability of affordable housing units in hurricane-affected areas by preventing the sale of public housing units without preserving long-term affordability requirements. It would condition demolition of public housing units on providing alternative housing units for residents of the units being demolished and on replacing such units either with other public housing or comparable units that are affordable. Specifically, the bill would require the Housing Authority of New Orleans (HANO) to survey pre-Katrina residents to identify which residents want to return and when, and to provide public housing or comparable units to those residents that want to return, but in any case no less than 3,000 units by August 1st. Funding is also authorized for repair, rehabilitation, and development of HANO public housing units. In addition, the bill would authorize \$10 million for Fair Housing activities, to ensure that housing activities in areas affected by Katrina and Rita are carried out in a manner that furthers fair housing.

- **Extending Duration of Voucher Program.** Faced with a looming September deadline for the cutoff of some 12,000 families currently receiving Disaster Voucher Program (DVP) assistance, H.R. 1227 would extend this deadline through at least the end of the year, and would authorize replacement vouchers to affected families when the program terminates. The bill would also provide a clarification that HUD should make adjustments in the voucher formula funding allocation changes made in the Continuing Resolution, so that Gulf Coast housing agencies will not be adversely impacted by the Hurricanes.

*The House also passed an amendment to extend FEMA housing assistance for evacuees of Hurricanes Katrina, Rita, and Wilma until December 31, 2007 and provide tenant-based rental assistance upon termination of FEMA housing assistance.*

- **Reimbursing Communities and Landlords that Assisted Evacuees.** The bill would authorize funding for reimbursement of localities that used their own CDBG funds to provide rental housing assistance to such evacuees. The bill also would authorize reimbursement to landlords who participated in the FEMA Section 403 program under which local communities co-signed private lease agreements - but who suffered financial losses arising from FEMA subsequently breaking their agreement to provide reimbursements under this program.

***Comments by Rep. Charlie Melancon on the floor of the U.S. House of Representatives today, in support of the Gulf Coast Hurricane Housing Recovery Act:***

*"Mr. Speaker, I am speaking today to urge my colleagues to vote in favor of the Gulf Coast Recovery Act, and AGAINST the Price amendment, which would keep in place a major roadblock to Louisiana's recovery from Hurricanes Katrina and Rita.*

*"Rebuilding in the wake of these two hurricanes is the biggest challenge people along the Gulf Coast have ever faced. Katrina was the worst natural disaster EVER in the United States, and Rita, which many have dubbed the "forgotten storm," was the third worst. First and third, in our nation's over-200-year history, and they hit the same region within a month of each other. 90,000 square miles were devastated. That's a region the size the United Kingdom. Whole communities were wiped off the map.*

*"Local governments are valiantly moving forward with rebuilding, but they need some help.*

*"Currently, because of a provision in a previous supplemental funding bill, Louisiana CAN NOT use federal CDBG money as the local match required to draw down federal disaster relief funds.*

*"These funds are used for vital recovery projects, like repairing sewage and water treatment facilities; rebuilding public buildings like schools, firehouses, and police departments; and hauling away debris from the storm. In Louisiana alone, there are over 23,000 of these public assistance projects that we are trying to move forward on.*

*"However, bureaucratic red tape is holding us back. Our local tax bases in south Louisiana were devastated by the hurricanes. Local governments have no way of coming up with the money for the 10% local match they have to put up, before the federal government will release the other 90%. For some parishes, the cost of the local match for projects is many millions of dollars.*

*"The state of Louisiana recognizes that local governments are hamstrung, and has already provided \$400 million to them for the local match. But the total cost of the local matches could run over \$1 billion, and the state needs more flexibility so they can keep helping local governments rebuild.*

*"The bill we are considering today, the Gulf Coast Hurricane Recovery Act, will give them that flexibility. It will allow them to use their CDBG money for these local matches, removing a major roadblock and greatly speeding up the progress of these recovery projects. I urge my colleagues to support this commonsense solution, and vote AGAINST the Price Amendment.*

*"One more thing. The President has the authority to waive the local match requirement with the stroke of his pen, and in fact this authority has been exercised 32 times since 1985 for other major disasters. In 1992, President George H. W. Bush waived the requirement when the per capita recovery cost of Hurricane Andrew reached \$139. It was also waived for New York City following the attacks of September 11th, where the per capita cost totaled \$390. But despite a \$6,700 per capita recovery cost following Hurricanes Katrina and Rita, the Administration has REFUSED to waive the local match, despite repeated requests. How is this fair to Louisiana? I am a fiscal conservative, but this policy is ridiculous. It is dooming the recovery to failure, and it's time we correct it.*

*"I emphatically urge you to defeat the Price Amendment, and pass the Gulf Coast Recovery Act, which will help thousands of people return home and begin rebuilding their lives."*

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